

In the meantime, however, every other aspect of English economic life was in process of swift transformation. Foreign trade increased largely in the first half of the sixteenth century, and, as manufactures developed, cloth displaced wool as the principal export. With the growth of commerce went the growth of the financial organization on which commerce depends, and English capital poured into the growing London money-market, - which had previously been dominated by Italian bankers. At home, with the expansion of internal trade which followed the Tudor peace, opportunities of speculation were increased, and a new class of middlemen arose to exploit them. In industry, the rising interest was that of the commercial capitalist, bent on securing the freedom to grow to what stature he could, and produce by what methods he pleased. Hampered by the defensive machinery of the guilds, with their corporate discipline, their organized torpor restricting individual enterprise, and their rough equalitarianism, either he quietly evaded guild regulations by withdrawing from the corporate towns, within which alone the pressure of economic conformity could be made effective, or he accepted the guild organization, captured its government, and by means of it developed a system under which the craftsman, even if nominally a master, was

in effect
the servant of an employer. In
agriculture, the
customary organization of the village was
being sapped
from below and battered down from above.
For a
prosperous peasantry, who had commuted
the labour
services that were still the rule in France
and Germany,
were rearranging their strips by exchange
or agree-
ment, and lords, no longer petty
sovereigns, but
astute business men, were leasing their
demesnes to
capitalist farmers, quick to grasp the profits
to be won
by sheep-grazing, and eager to clear away
the network
of communal restrictions which impeded its
extension.
Into commerce, industry and agriculture
alike, the